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FLOOR DEBATE

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licensees that are making loans that are secured by real estate that would, in the generic sense, be termed predatory lending practices. That's where you get into the false and misleading practices, loan flipping, where you'd encourage somebody to basically enter into more than one loan transaction secured by their home in a 12-month period. The reason behind of that is to get additional points, additional origination fees, to up the interest rates and things of that nature also. That would also fall under if, in order to get the loan, it would encourage another person to go into default on a currently existing loan, that was secured by real estate too, in order to get, basically, the refinance on that deal. It applies only to licensees under the act.

SENATOR BRASHEAR: Thank you very much, Senator Quandahl. You've obviously done a great deal of work on this and I need to do some now, and I thank you for your help and for your responsiveness, and I'll be quiet. Thank you.

SENATOR CUDABACK: Thank you, Senator Brashear and Senator Quandahl. Senator Beutler.

SENATOR BEUTLER: Senator Quandahl, I'm not even sure if my comment pertains to this bill, but I noticed the other day in the newspaper, and you'll identify immediately that I noticed without enough attention to the article, that the 8th Circuit Court of Appeals had overthrown the federal regulatory structure with regard to charging certain kinds of charges related to, I thought, real estate secured transactions, so that the federal law was no longer going to be applicable. Are you aware of that case, and does it relate to this area of the law at all? It's an unfair question on my part. I just thought some of this defining in here of the fees that could not be assessed, I take it on page 19, on line 6, that that describes things that cannot be assessed, if I'm reading it right, and I'm wondering if any of that has been correlated with the 8th Circuit case to pick up in state law what is being discarded, apparently, at the federal level, if in fact that whole matter relates to this area of the law. But I think I'm asking you an unfair question, so I'll just leave it at that and inquire further on that matter. Thank you.